


6639

COUNCIL 4 AFSCME

Human Services Committee

March 17, 2009

Re: Concerns About Raised Bill  6639, AAC Community Action Agencies

Council 4 has concerns about this bill. We believe that the state Department of Social Services should not be supplanted as the agency which oversees and manages the disbursal of food stamps, Medicaid, Medicare and housing certificates. If that is the intention of this bill, then we oppose it. The state should not abrogate its responsibility in this sensitive and important role. Privatization experiments of food stamps, housing and other "life line" services in Texas and Indiana have proven to be a disaster for clients and taxpayers. In those states, people in need have not been able to get the help they deserve, while taxpayers have been paying more than when government workers provided the services. Caring for people who find themselves poverty stricken, especially in one of our country's worst economic crises, is an important governmental function. The clients for these services are some of the most vulnerable people in our state.

The Rowland-Reil administration's attempts to privatize out as much human services work as possible proved to be a disaster. Maximus wound up charging vastly more than it cost for state employees to administer the state's child day care administration. Maximus also seriously botched the system and was not getting payments to providers in a timely manner – if at all. Privatization of food stamp eligibility service resulted in 10% of the work being sent to phone call centers in India. So a laid off factory worker seeking help to feed his family in Connecticut would speak to a telephone operator in India to find out how to apply.

While nonprofit providers are an important resource in state government's efforts to care for people who are poor, sick and in need, they should not supplant the government. If this bill is simply meant to keep the community action agencies in the role they play now, rather than switching dispersal of human services funds to regional planning agencies, then we are supportive. The RPAs would be an additional pass through level. Unfortunately, additional "pass throughs" eat up funds that would be better spent serving clients directly.

I would be happy to answer any questions. Thank you for your consideration.